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the Permanent

120th Annual Report 1974

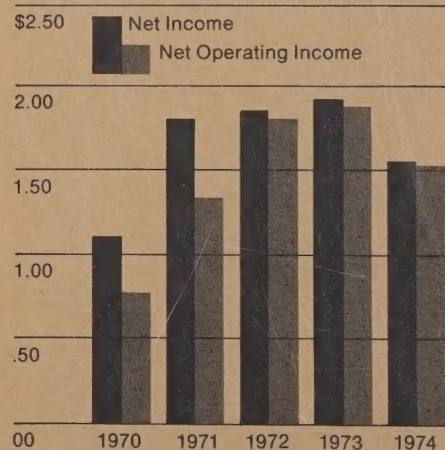
Canada Permanent Trust Company
Canada Permanent Mortgage Corporation



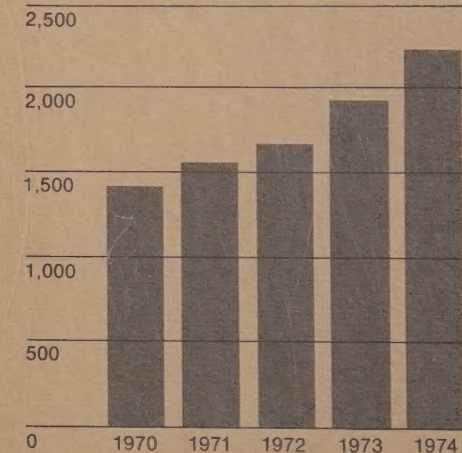
Our Standing at a Glance

| | 1974 | 1973 | Percentage increase (decrease) |
|---|------------------------|-----------------|--------------------------------|
| Net operating income | \$10,940,000 | \$ 13,470,000 | (18.8%) |
| Net operating income per share | \$1.54 | \$1.90 | (18.9%) |
| Net income per share | \$1.55 | \$1.94 | (20.1%) |
| Dividends per share | \$1.00 | \$.88 | 13.6% |
| Deposits, debentures and guaranteed investment certificates | \$2,066,567,000 | \$1,778,549,000 | 16.2% |
| Mortgages | \$1,792,821,000 | \$1,532,124,000 | 17.0% |
| Estates, trusts and agencies | \$2,389,737,000 | \$2,318,914,000 | 3.1% |
| Number of shareholders | 5,831 | 5,800 | |
| Number of employees | 2,647 | 2,663 | |

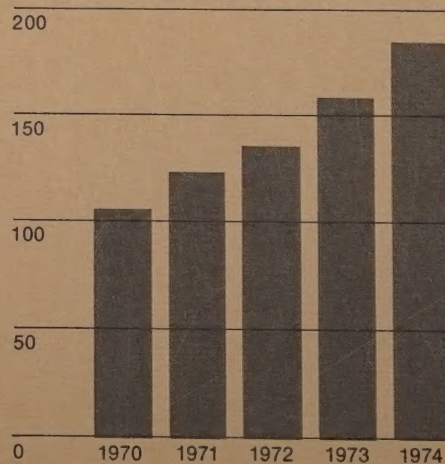
Earnings per Share



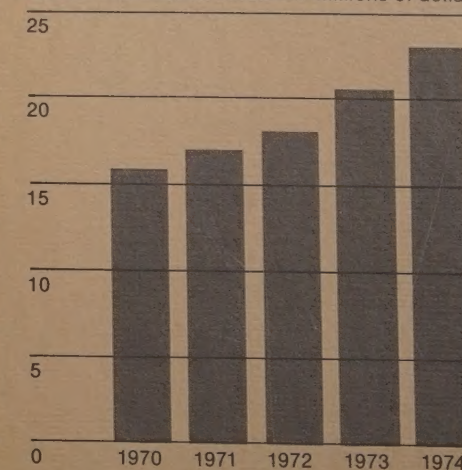
Company Assets in Millions of dollars



Income from Investments in Millions of dollars



Fee and Commission Income in Millions of dollars



Consolidated Statement of Income

Year ended December 31, 1974
(with comparative figures for 1973)

| | 1974 | 1973 |
|--|---------------|---------------|
| Income | | |
| Interest from mortgage and other loans | \$159,005,000 | \$132,822,000 |
| Interest and dividends from securities | 25,936,000 | 21,533,000 |
| | 184,941,000 | 154,355,000 |
| Estate and personal trust fees | 8,315,000 | 7,717,000 |
| Corporate service fees | 3,581,000 | 3,552,000 |
| Pension trust fees | 1,538,000 | 1,336,000 |
| Investment management fees | 714,000 | 751,000 |
| Net real estate commissions | 4,493,000 | 3,312,000 |
| Other operating income | 4,889,000 | 3,821,000 |
| | 208,471,000 | 174,844,000 |
| Expense | | |
| Interest | 146,688,000 | 113,003,000 |
| Staff remuneration and benefits | 27,025,000 | 22,877,000 |
| Premises expense | 5,216,000 | 3,900,000 |
| Other operating expense | 13,079,000 | 11,819,000 |
| | 192,008,000 | 151,599,000 |
| Operating income before income taxes (note 3(b)) | 16,463,000 | 23,245,000 |
| Income taxes | | |
| Current | 1,409,000 | 801,000 |
| Deferred | 4,114,000 | 8,974,000 |
| | 5,523,000 | 9,775,000 |
| Net operating income | 10,940,000 | 13,470,000 |
| Gain on disposal of assets (note 6) | 38,000 | 264,000 |
| Net income for the year | \$ 10,978,000 | \$ 13,734,000 |
| Earnings per share | | |
| Net operating income | \$1.54 | \$1.90 |
| Gain on disposal of assets | .01 | .04 |
| Net income for the year | \$1.55 | \$1.94 |

Consolidated Statements of General Reserve and Retained Earnings

Year ended December 31, 1974 (with comparative figures for 1973)

| | 1974 | 1973 |
|---|--------------|--------------|
| General Reserve | | |
| General reserve, beginning of year | \$78,318,000 | \$72,315,000 |
| Appropriation from retained earnings | 4,000,000 | 6,000,000 |
| Premium received on issue of shares of the Corporation | | 3,000 |
| General reserve, end of year (including \$36,328,000 contributed surplus) | \$82,318,000 | \$78,318,000 |
| Retained Earnings | | |
| Retained earnings, beginning of year | \$10,809,000 | \$ 9,324,000 |
| Net income for the year | 10,978,000 | 13,734,000 |
| | 21,787,000 | 23,058,000 |
| Deduct: | | |
| Dividends | 7,102,000 | 6,249,000 |
| Appropriation to general reserve | 4,000,000 | 6,000,000 |
| | 11,102,000 | 12,249,000 |
| Retained earnings, end of year | \$10,685,000 | \$10,809,000 |

Consolidated Balance Sheet

December 31, 1974

(with comparative figures at December 31, 1973)

| | 1974 | 1973 |
|--|-----------------|-----------------|
| Assets | | |
| Bank deposit receipts and cash | \$ 88,406,000 | \$ 56,441,000 |
| Securities (note 2) | | |
| Bonds and debentures | 179,777,000 | 231,192,000 |
| Stocks | 87,142,000 | 60,441,000 |
| | 266,919,000 | 291,633,000 |
| Loans | | |
| Mortgages | 1,792,821,000 | 1,532,124,000 |
| Secured call loans | 9,451,000 | 8,647,000 |
| Personal loans | 22,114,000 | 10,431,000 |
| Advances to estates, trusts and agencies | 8,940,000 | 2,840,000 |
| | 1,833,326,000 | 1,554,042,000 |
| Office premises and equipment (note 3) | 24,183,000 | 21,231,000 |
| | \$2,212,834,000 | \$1,923,347,000 |

We hereby certify that to the best of our knowledge and belief the consolidated balance sheet at December 31, 1974 and the accompanying consolidated statements of income, general reserve and retained earnings for the year then ended are correct and show truly and clearly the financial condition of the Companies' affairs at December 31, 1974 and the results of their operations for the year then ended.

A. Bruce Matthews,
Chairman of the Board
D. G. Neelands,
President

} Directors

Canada Permanent Mortgage Corporation
and its subsidiaries

| | 1974 | 1973 |
|---|-----------------|-----------------|
| Liabilities | | |
| Demand deposits | \$ 476,072,000 | \$ 462,334,000 |
| Debentures and guaranteed investment certificates | 1,590,495,000 | 1,316,215,000 |
| | 2,066,567,000 | 1,778,549,000 |
| Other liabilities | | |
| Income taxes payable | | 2,829,000 |
| Dividend payable | 1,775,000 | 1,562,000 |
| Accounts payable | 15,441,000 | 19,368,000 |
| | 17,216,000 | 23,759,000 |
| Deferred income taxes (note 5) | 21,845,000 | 17,709,000 |
| Shareholders' Equity | | |
| Capital stock | | |
| Authorized—10,000,000 shares of the par value of \$2 each | | |
| Issued —7,101,455 shares | 14,203,000 | 14,203,000 |
| General reserve | 82,318,000 | 78,318,000 |
| Retained earnings | 10,685,000 | 10,809,000 |
| | 107,206,000 | 103,330,000 |
| | \$2,212,834,000 | \$1,923,347,000 |

AUDITORS' REPORT

To the Shareholders of Canada
Permanent Mortgage Corporation:

We have examined the consolidated balance sheet of Canada Permanent Mortgage Corporation and its subsidiaries as at December 31, 1974 and the consolidated statements of income, general reserve and retained earnings for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the Companies as at December 31, 1974 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson, Gordon & Co.
Chartered Accountants.

Toronto, Ontario
January 21, 1975

Notes to Consolidated Financial Statements

December 31, 1974

1. Consolidation

The consolidated financial statements include the accounts of the subsidiary Canada Permanent Trust Company and of CanPerm Realty Limited, a newly-incorporated subsidiary formed to participate in real estate investment and development activities.

2. Securities

Bonds are stated at amortized cost and stocks at cost. Securities held comprise the following:

| | 1974 | | 1973 | |
|----------------------------|---------------|---------------|---------------|---------------|
| | Stated value | Market | Stated value | Market |
| Bonds and debentures | | | | |
| Bonds of or guaranteed by | | | | |
| Government of Canada | \$ 7,503,000 | \$ 6,665,000 | \$ 35,377,000 | \$ 33,853,000 |
| Provinces of Canada | 49,643,000 | 45,381,000 | 59,516,000 | 54,081,000 |
| Canadian municipalities | 6,292,000 | 5,409,000 | 8,131,000 | 7,340,000 |
| Other bonds and debentures | 116,339,000 | 101,348,000 | 128,168,000 | 119,076,000 |
| | 179,777,000 | 158,803,000 | 231,192,000 | 214,350,000 |
| Stocks | | | | |
| Preferred | 47,956,000 | 40,308,000 | 25,353,000 | 21,757,000 |
| Common | 39,186,000 | 48,799,000 | 35,088,000 | 53,624,000 |
| | 87,142,000 | 89,107,000 | 60,441,000 | 75,381,000 |
| Total securities | \$266,919,000 | \$247,910,000 | \$291,633,000 | \$289,731,000 |

3. Office premises and equipment

a) Office premises and equipment consists of:

| | 1974 | 1973 |
|--|--------------|--------------|
| Land, at cost | \$ 4,309,000 | \$ 4,269,000 |
| Buildings, leasehold improvements and equipment, at cost less accumulated depreciation | 19,874,000 | 16,962,000 |
| | \$24,183,000 | \$21,231,000 |

b) Depreciation computed on the straight line method and charged against operations in 1974 totalled \$1,684,000 (1973—\$1,250,000)

4. Guaranteed Trust account

Included in total assets are assets held for guaranteed trust account of \$989,416,000 (1973—\$856,571,000)

5. Deferred income taxes

Deferred income taxes at December 31, 1974 includes approximately \$9,300,000 resulting from the postponement for tax purposes to 1975 of certain income accrued in the accounts in the 1974 year. Under recently introduced tax legislation, a similar postponement of income for tax purposes will not be available in subsequent years; accordingly such related income taxes as would otherwise be deferred at December 31, 1975 will be currently payable at that date.

6. Gain on disposal of assets

This consists of:

| | 1974 | 1973 |
|--|-------------|-------------|
| Security losses | \$3,307,000 | \$3,184,000 |
| Security gains | 2,305,000 | 2,592,000 |
| Net security losses including net non-taxable gains of \$1,067,000 | | |
| in 1974 and \$1,118,000 in 1973 | 1,002,000 | 592,000 |
| Loss on disposal of office premises | | 23,000 |
| | 1,002,000 | 615,000 |
| Applicable income tax reduction | 1,040,000 | 879,000 |
| Gain on disposal of assets | \$ 38,000 | \$ 264,000 |

7. Commitments

At December 31, 1974 the Companies had contractual obligations in respect of lease rentals as follows:

| | Total amount payable in period |
|-------------------|--------------------------------|
| Within five years | \$12,091,000 |
| 6 to 10 years | 9,642,000 |
| 11 to 15 years | 6,190,000 |
| 16 to 20 years | 5,031,000 |
| | \$32,954,000 |

Statistical Review

| | 1974 | 1973 | 1972 | 1971 | 1970 |
|---|------------------|-------------|-------------|-------------|-------------|
| Position at year-end | (\$'000 omitted) | | | | |
| Company assets | | | | | |
| Mortgages | \$1,792,821 | \$1,532,124 | \$1,320,653 | \$1,209,258 | \$1,108,699 |
| Other | 420,013 | 391,223 | 342,394 | 342,698 | 314,939 |
| | 2,212,834 | 1,923,347 | 1,663,047 | 1,551,956 | 1,423,638 |
| Estate, trust and agency assets | 2,389,737 | 2,318,914 | 2,197,924 | 2,024,689 | 1,947,439 |
| Total assets under administration | 4,602,571 | 4,242,261 | 3,860,971 | 3,576,645 | 3,371,077 |
| Demand deposits | 476,072 | 462,334 | 464,990 | 397,580 | 344,246 |
| Debentures and guaranteed investment certificates | 1,590,495 | 1,316,215 | 1,072,005 | 1,027,681 | 977,134 |
| Total borrowings | 2,066,567 | 1,778,549 | 1,536,995 | 1,425,261 | 1,321,380 |
| Shareholders' equity | 107,206 | 103,330 | 95,841 | 87,939 | 79,330 |
| Number of shares issued | 7,101 | 7,101 | 7,101 | 7,101 | 7,100 |
| Results for the year | | | | | |
| Income | 208,471 | 174,844 | 152,995 | 138,805 | 123,404 |
| Expense | | | | | |
| Interest | 146,688 | 113,003 | 98,435 | 91,928 | 86,116 |
| Staff remuneration | 27,025 | 22,877 | 19,682 | 18,504 | 17,247 |
| Other operating expense | 18,295 | 15,719 | 13,035 | 11,064 | 10,415 |
| Total expense | 192,008 | 151,599 | 131,152 | 121,496 | 113,778 |
| Operating income before income taxes | 16,463 | 23,245 | 21,843 | 17,309 | 9,626 |
| Income taxes | 5,523 | 9,775 | 9,100 | 7,864 | 4,233 |
| Net operating income | 10,940 | 13,470 | 12,743 | 9,445 | 5,393 |
| Security gains and extraordinary items | 38 | 264 | 413 | 3,277 | 2,531 |
| Net income | 10,978 | 13,734 | 13,156 | 12,722 | 7,924 |
| Statistics per share (Note) | | | | | |
| Net operating income | \$1.54 | \$ 1.90 | \$ 1.79 | \$ 1.33 | \$.76 |
| Net income | 1.55 | 1.94 | 1.85 | 1.79 | 1.12 |
| Dividends | 1.00 | .88 | .74 | .58 | .56 |
| Shareholders' equity | 15.10 | 14.55 | 13.50 | 12.38 | 11.17 |

NOTE: Based on total shares outstanding on December 31 of each year



the Permanent

120th Annual Report 1974

Canada Permanent Trust Company
Canada Permanent Mortgage Corporation

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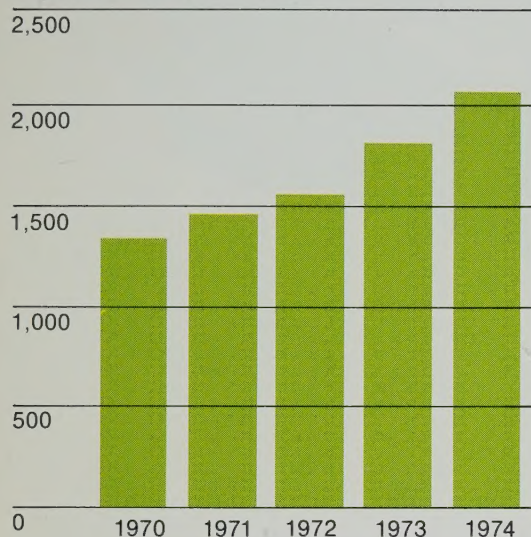
Our new symbol and name are just a part of the new look that will unify all of the many services that *Canada Permanent Trust Company* and *Canada Permanent Mortgage Corporation* will continue to provide to hundreds of thousands of Canadians, coast to coast.

You will be seeing them on all of our cheques and passbooks, personal loan applications, mortgage and real estate forms, term deposit certificates and signs—in fact whenever and wherever you see us in your community.

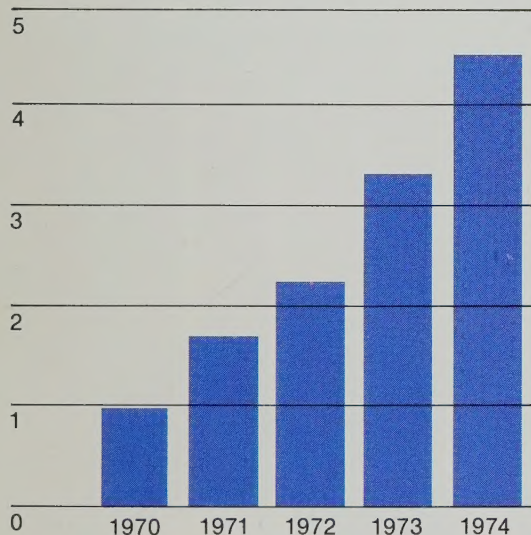


To Our Shareholders

Deposits in Millions of dollars



Net Real Estate Commissions in Millions of dollars



Our Savings Accounts and Term Investments offer security, convenience and competitive interest rates to Canadians from coast to coast.

Over the past year, events both at home and abroad created a difficult economic environment, which saw interest rates and costs rise rapidly. While the economy now shows signs of becoming more stable, the present atmosphere is one of increasing concern about the near term economic prospects. In our view, the Canadian economy in 1975 will experience the combined effects of a significant reduction in output and a persistently high but decelerating rate of inflation. While it seems likely that our economy will escape the very serious conditions of recession and rapid inflation which threaten other countries, it is probable that in 1975 more Canadians will suffer the unpleasant side-effects of higher unemployment, the erosion of real incomes, and social and labour unrest.

With such an outlook the task of government policymakers, of stimulating the economy while preventing runaway inflation, is extremely difficult. Indications so far tend to endorse their choice of fiscal stimulus, through selective tax cuts and various incentives to save on the one hand, and the establishment of a more accommodating monetary posture on the other.

There exists, however, a very real danger that excessive or prolonged stimulus will rekindle the inflationary fires and create an inflationary lockstep in which business and labour will be forced to trudge upward together. However, with continued prudent government policies, our expectations are for an improved economic situation towards the latter part of 1975. It is with this confidence for an improving future that we present your companies' 1974 operating picture.

Financial Results

Despite decreased earnings, the past year was gratifying in many respects. Satisfactory growth was achieved in many areas and the total corporate assets increased by \$289,487,000 or 15%, to a gross level of \$2,212,834,000. Gross revenues rose

to a record \$208,471,000, up 19% from 1973, and with the first quarter of 1974 your company increased its quarterly dividend payment to 25¢ per share. Nonetheless, the forces of inflation could only partially be held at bay. Expenses, which increased by 27% over 1973, to \$192,008,000 eroded revenue gains and resulted in decreased earnings. Net operating income declined to \$1.54 per share from \$1.90 earned in 1973, while net capital gains on disposal of investments amounted to 1¢ per share this year compared to 4¢ during 1973.

The increase in expenses occurred in three main areas. Interest paid to depositors, governed by competition for their funds throughout the financial industry, experienced the most significant increase of 30%. This cost increased rapidly for the first seven months of 1974, reached an unprecedented peak by July, and continued at this level until November when interest rates commenced to show a gentle decline.

The significant fact relating to escalating interest rates, associated with the inflationary spiral, is that they inevitably lead to a narrowing profit margin on borrowed funds, since interest rates on income from investments invariably rise at a slower rate than interest expense on deposits. Secondly, the company's employee compensation and benefits program together with general expenses increased 16%, simply reflecting rising operating costs. Lastly, significant expenses were sustained in connection with our branch expansion program, the benefits of which, will accrue in the future.

Automation

In order to accommodate present and future increases in our volume of business, without incurring an appreciable increase in the number of employees, continued research and development was carried out in the area of automating systems.

To this end, several years of research

and development were brought to a successful conclusion in mid-year with the conversion of the last group of mortgages to a highly sophisticated mortgage system. 85,000 mortgages are now serviced by this system, which has eliminated the repetitious clerical work associated with billings, statement preparation and interest calculations. In the future, this system will accommodate significant increases in the number of mortgages processed without a corresponding increase in expenses. Currently under development is another major project which should bear fruit in 1975. The development of a network of mini-computers located in major branches will allow data to be transmitted over telephone lines to our computer facility in Toronto. This will greatly speed the company's workflow, eliminate dependence on the mails, and provide speedier service to our customers.

Products

Most of the services offered by your company experienced growth in 1974. In real estate sales, net commissions were up 29% over 1973. A record volume of new mortgage loans was reached, despite a slower residential resale market and a decline in the number of housing starts during the second half of the year. Personal loans also showed encouraging gains, while maintaining delinquencies and credit losses well below the industry average. The \$288,018,000 increase in Deposits reflects a 16% rate of growth for the year, which compares most favourably with the previous year.

As more Canadians participate in Registered Retirement Savings Plans, funds committed to us for this purpose have grown to \$115,238,000, representing an increase of 69% during the year. We expect to be able to report similar success next year with Registered Home Ownership Savings Plans, recently introduced as a tax savings incentive by the Federal Government.

Marketing

An important step was taken during the year with the adoption of a new corporate symbol "■" and marketing name "the Permanent". The launching of this visual identity program, designed to create a unique, distinctive image in the public mind, involved systematic graphics standards for signs, advertisements, brochures, forms and stationery, as witness the cover of this report.

As well, in a program of selective expansion, five new branches were opened during 1974. In addition, existing facilities at many locations were improved, and new branch premises at St. John's and Edmonton opened.

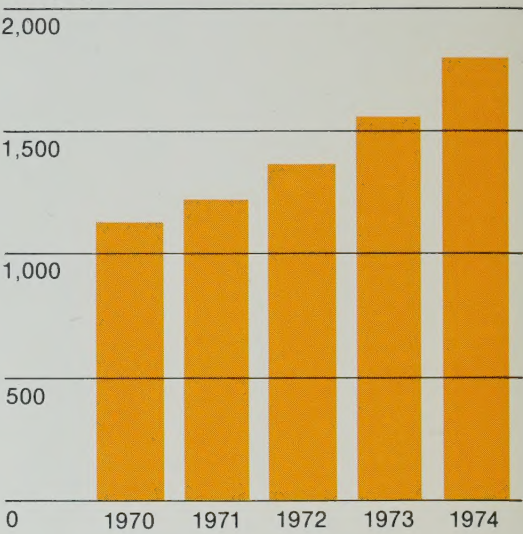
Further, thousands of new customers were attracted by our Plum Service which was first offered last April, and many of our friends who have been depositors with us over past years, gave the new service a favourable reception and now enjoy several valuable services without charge.

Perma-Teller, now at seven locations, provides a convenient banking service, enabling customers to make deposits or cash withdrawals on a twenty-four hour basis, seven days a week. Another improvement introduced in 1974 was the installation of on-line banking at 8 of our Metropolitan Toronto branches and at Brantford. This facility, which will be expanded in 1975, enables us to improve both customer service and internal efficiency.

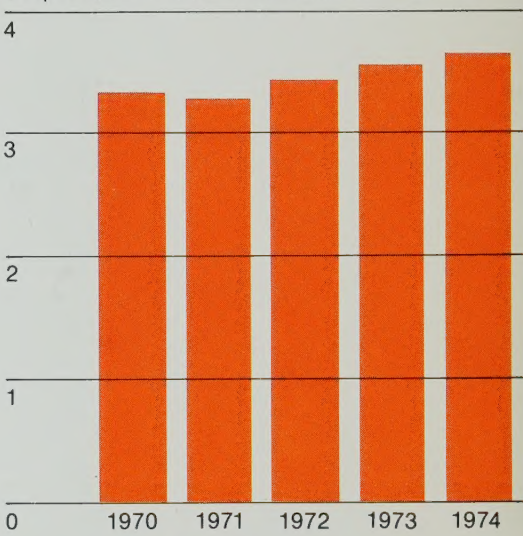
Organization

Early in the year Eric J. Brown, Q.C., was appointed Executive Vice-President of the company, while branch operations and our Services Administration Division, were brought together under the supervision of J.H. Deason, who was appointed Senior Vice-President, with E.H. Smith becoming Vice-President, Branch Operations. Continued growth is reflected in the establishment of Metropolitan

Mortgages in Millions of dollars



Corporate Service Fees in Millions of dollars



Young and old alike can aspire to the home of their choice with a Mortgage loan from the Permanent.



Toronto as one of our operating Regions, as separated from Ontario. A.E. Stead was appointed Vice-President of the former, with H.K. Naylor becoming Vice-President of the restructured Central Region, comprising the majority of branches in Ontario outside Toronto. H.P. Miller was appointed Vice-President of our Western Region and Paul Desrochers joined us as Vice-President of our Eastern Region, following the retirement of Messrs. C.R. Wilson and J.E. Nadeau respectively after long and distinguished careers with the company. In addition, we have strengthened other areas through additions and changes, consistent with our long range plans and objectives.

Directors and Advisory Boards
Through the retirement provisions of the Trust Companies Act and the Loan Companies Act, Mr. Sidney M. Blair was ineligible for re-election to our Board in February of 1974. We also record with regret the retirement of Mr. G.E. Ellsworth. Both these gentlemen contributed much to the progress of the company. We were pleased to welcome to the Board, Mr. Roger D. Wilson, Q.C., of Toronto.

We are fortunate in having Advisory Boards at many of our branches through which we draw on the knowledge and expertise of experienced professional and business leaders. In 1974 we welcomed The Hon. Fabian A. O'Dea, Q.C., to our Advisory Board at St. John's, Mr. Ralph W. Black, C.A., at Moncton, Messrs. Spurgeon R. Covey

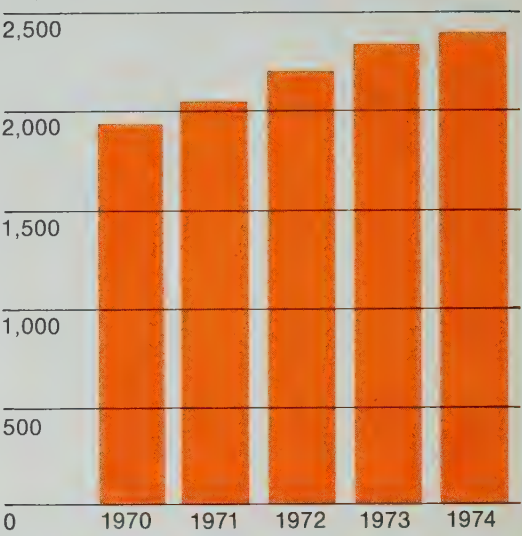
and Elliott M. Jacobson at Halifax-Dartmouth, Mr. Donald S. Rogers at Winnipeg, Messrs. W. Donald Hunt and Edward E. Bishop, Q.C., at Edmonton, and Sir Peter Studd at London, England.

Our Employees
We recognize the vital contribution made by our employees from coast to coast, and we have a variety of programs aimed at using their knowledge and skills most effectively towards making their careers with the company rewarding for them. These programs, coupled with our staff training and educational assistance schemes, provide a systematic means by which employees are developed to mutual advantage.

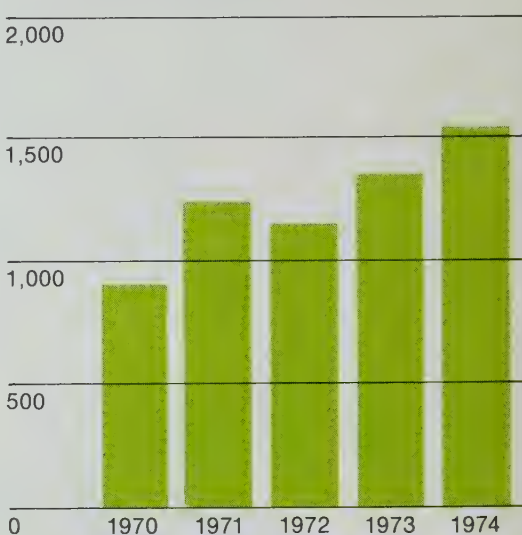
In these times communication is crucial. There has been favourable reaction to our staff newspaper, the 'Permanent Link', which has a correspondent in each branch and operates under the direction of a full-time editor and an editorial board composed of a representative group of staff members. Towards the end of the year, we introduced a program, 'Speak Out', which provides employees with a means of obtaining counselling in complete confidence with regard to concerns or problems which could relate to their jobs, the company, or their personal lives.

We wish to convey our sincere thanks to our employees for their valued efforts towards achieving our goals. With their continued support your company looks to the future with confidence.

Estates, Trust & Agency Assets under administration in Millions of dollars



Pension and other Employee Benefit Fees in Thousands of dollars



A. Bruce Matthews
A. Bruce Matthews, Chairman

D.G. Neelands
D.G. Neelands, President

As Executor and Trustee, the Permanent will look after your family with the highest degree of professionalism and care.





Regional Reports

Pacific Region

Despite many outside difficulties encountered during the year, total business of our eight branches in Pacific Region continued to grow with good gains being registered in mortgage, loans and term deposits.

British Columbia's economy got off to a good start this year, although being hard pressed to maintain its exceptional growth rate recorded in 1973. Labour troubles and the peaking of markets for many resource products made it difficult for the province to repeat last year's performance. In the last half of '73, the B.C. economy felt the effect of the overall economic climate, while the provincial labour force continued to grow faster than the national average. As a result, unemployment, which increased dramatically, reflected the impact of a world wide slowdown on the export oriented B.C. economy. Lumber prices were off about 30 per cent, largely due to a fall in U.S. housing starts. However, demand continues strong for pulp and newsprint, although reduced lumber production effects the supply, while a general decline in commodity prices has affected prices of major metals.

Early in 1975, we are planning to locate a representative in Courtenay on Vancouver Island to increase our share of the mortgage market and explore other business opportunities. At present the total number of employees on staff is 323, and we have several trainees on courses in preparation for planned expansion in our operations during 1975. Lastly, the transfer of our Main Vancouver Branch operation to the Pacific Centre complex will take place early in the coming year, with the present savings function continuing at 455 Granville Street.

Pacific Region

Branch Offices:—Chilliwack, Kamloops, Kelowna, Penticton, Prince George, Vancouver (3), Victoria.

Real Estate Offices:—Abbotsford, Chilliwack, Duncan, Nanaimo, Vancouver (12), Victoria.

Western Region

Generally, there was a strong upturn in the price of real estate in the Region during most of 1974, and with a strong demand for housing and a shortage of serviced land, rental units were scarce.

In the three Prairie Provinces, the economy was buoyant and agricultural income was at a record high level. In Manitoba, the value of manufacturing showed increased strength while the rate of unemployment was the lowest in the three Provinces. Saskatchewan profited by increased oil royalties and higher agricultural income. Alberta experienced a good year economically with greatly increased oil revenues, although the oil industry was beset with uncertainties regarding taxation, which led to a slowdown in exploration.

At Thunder Bay, the lumber industry expanded, while the pulp and paper industry operated to full capacity. Iron ore continued to be an important part of the economy with new mines being developed. While there was much grain to be moved, shipping unfortunately was plagued by strikes.

We opened an attractive new six storey Edmonton building in April, and in November, started a second branch in the busy Meadowlark Park Shopping Centre. With 289 employees in the Region, we now consist of 7 offices.

Western Region

Branch Offices:—Man.—Winnipeg; Ont.—Thunder Bay; Sask.—Regina, Saskatoon; Alta.—Calgary, Edmonton (2).

Real Estate Offices:—Man.—Winnipeg; Sask.—Regina, Saskatoon; Alta.—Calgary, Edmonton.

Central Region

In addition to the fact that the number of housing starts was quite well maintained in the province at least during the first half of 1974, there was an active resale market in residential housing. We were able to take advantage of this resale market which contributed substantially to our achievement in our mortgage objectives. The rapid price escalation, which took place at the start of the year, slowed toward the end as higher mortgage rates and the province's Speculation Land Tax took effect. However, we expect a continuation of a strong resale market in the coming year. In addition, as a result of several major developments that are taking place, we look forward to continued strong growth and expansion in this Region.

Central Region continued to experience considerable growth in Personal Loan services and our goals were attained in all of our more traditional services. We have 320 people employed in fourteen branches, located in major centres in the area.

Central Region

Branch Offices: Ont.—Brantford, Cambridge, Hamilton, Kitchener, London, Oakville, Oshawa, Port Hope, St. Catharines, Sarnia, Sault Ste. Marie, Sudbury, Windsor, Woodstock.
Real Estate Offices: Ont.—Burlington, Hamilton, Kitchener, London, Oshawa, Windsor.

Metro Toronto Region

In recognition of the fact that Toronto and its suburbs comprise a major marketing area, our new 'Metro Toronto' Region was created in early 1974. As a result, it was necessary to consolidate all of Toronto Main Branch operations in new offices at Yonge-Eglinton Centre, in the heart of the city. This involved bringing together a staff of some 450 people engaged in every type of corporate activity, as well as opening a new Savings department which experienced tremendous growth in its modern quarters.

Equally important to the Region is its network of 18 Savings Branches which provide an inflow of funds to fuel the national lending and investment requirements. Under a planned policy based on marketing studies for strategic locations, the following three new branches were opened during the year: Agincourt, Cedar Heights Plaza and Finch West Mall. Burnhamthorpe Mall branch will open in January, 1975.

Some 250 people work in our Savings Branch Operation and these branches are open extended hours in busy areas to achieve a strong marketing thrust for our savings and deposit services. In the Region, a number of our branches have now been converted to on-line savings in order to provide more effective service to our customers. As well, the use of Perma-Teller machines, achieving automated savings and dispensing transactions 24 hours a day, maintained its high degree of customer acceptance.

The unsettled conditions in interest rates had a severe impact on the Region during 1974, but as we continue to improve our marketing skills and expand operations, we should be in an excellent position to take advantage of future opportunities in the area.

Metro Toronto Region

Branch Offices; 19 locations.

Real Estate Offices: 8 locations.

Tax deferral opportunities and attractive rates make our Registered Retirement Savings Plans a rewarding investment for thousands of regular contributors.



ient Tower

Eastern Region

Because of the Olympic Games scheduled for 1976, a number of hotels and office complexes are being built in Montreal, most of which will be completed this year. However, housing starts have almost ceased and few apartments are being built or planned for 1975. Should interest rates decline and the various levels of Government succeed in their efforts to increase the number of housing starts, our main branch in Montreal will anticipate handling a large volume of residential and apartment mortgage loans.

There are six branches in the Region. Two of these, Montreal and Ottawa, are well established, full service branches, with the other four being Savings branches located at Brockville, Ontario, Greene Avenue, Westmount, Pointe Claire and Queen Mary Road, Montreal. The latter, which was opened in March, 1974 in a densely populated area, has exceeded all expectations.

The Region, which employs a staff of 234 people, experienced steady growth during the year and looks forward to 1975 with much confidence.

Eastern Region

Branch Offices: Que.—Montreal (4); Ont.—Brockville, Ottawa.
Real Estate Offices: Que.—Montreal (9); Ont.—Ottawa.

Atlantic Region

Satisfactory results were achieved by the Region in 1974 despite difficult operating conditions.

Our ten branches in the area with 251 employees were able to extend their services to many new customers. Our marketing area in the Region now extends to over two million people, and we are steadily increasing our share.

Branch facilities are being generally upgraded and in October, we opened a new building at St. John's, Newfoundland. In the Spring of 1975 we will be moving to new and larger premises in Dartmouth, Nova Scotia, greatly improving our location in that city. As well, renovations are planned for Moncton, New Brunswick and in New Glasgow, Lunenburg and Halifax, Nova Scotia.

A. W. Nicolle was appointed Manager, Halifax branch in June 1974. Mr. Nicolle, a native of Nova Scotia, has served the company well in many capacities in different regions.

Atlantic Region

Branch Offices: N.S.—Dartmouth, Halifax, Lunenburg, New Glasgow, Sydney; Nfld.—St. John's; P.E.I.—Charlottetown; N.B.—Fredericton, Moncton, Saint John.
Real Estate Offices: N.S.—Dartmouth, Halifax, Sydney; Nfld.—St. John's; N.B.—Moncton, Saint John.

The Permanent has won the confidence of an increasing number of Canadians whose needs have been met by our competitive Personal Loan program.



Company Executives

Corporate Division

A. Bruce Matthews, *Chairman*
Donald G. Neelands, Q.C., *President*
Eric J. Brown, Q.C.,
Executive Vice-President
E. A. Fricker, *Assistant Vice-President,*
Corporate Planning

Operating Division

J. Harold Deason, *Senior Vice-President*
E. H. Smith, *Vice-President,*
Regional Operations

A. C. Langley, *Assistant Vice-President,*
Operations
J. K. Wedlake, *Vice-President,*
Atlantic Region
P. Desrochers, *Vice-President,*
Eastern Region
A. E. Stead, *Vice-President,*
Metro Toronto Region
H. K. Naylor, *Vice-President,*
Central Region
H. P. Miller, *Vice-President,*
Western Region
S. Mentiplay, *Vice-President,*
Pacific Region

R. E. Barr, *Assistant Vice-President,*
Real Estate Services
G. B. Clapperton, *Assistant Vice-President,*
Personal Trust & Agency Services
J. E. Donahoe, *Assistant Vice-President,*
Mortgage Services
E. E. Spencer, *Assistant Vice-President,*
Savings Deposit Services
H. K. Minns, *Assistant Vice-President,*
Corporate & Pension Trust Services
Berkeley Hynes, *Assistant Vice-President,*
Customer Services

Investment Division

J. P. S. Mackenzie, *Vice-President*
C. N. Halford, *Assistant Vice-President,*
Pension Investments
A. H. Steede, *Assistant Vice-President,*
Investment Research

Finance Division

H. G. Tait, C.A., *Vice-President*
R. L. Silverthorne,
Assistant Vice-President & Controller
G. Whitton, *Assistant Vice-President,*
Information Services
F. G. Porter,
Assistant Vice-President & Treasurer

Corporate Administration Division

N. G. Wright, *Vice-President*
R. A. G. Stuart, *Assistant Vice-President,*
Personnel
J. T. Morgan, *Assistant Vice-President,*
Marketing

Corporate Secretary's Division

E. G. Dewling, *Vice-President*
R. B. McArthur, *Assistant Vice-President,*
Premises

International Division

Allan Rowan-Legg, *Managing Director,*
U.K. and European Operations
(London, England)
R. O. Sneddon, *Deputy Managing Director*

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- Norman E. Whitmore, Regina*†
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- Roger D. Wilson, Q.C., Toronto*
Partner, Fasken & Calvin
- *Canada Permanent
Mortgage Corporation
†Canada Permanent Trust Company
••Retiring February, 1975

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H. D. Roberts, M.D.
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Charlottetown, P.E.I.

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H. B. Schurman
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Thomas E. Ladner, Q.C.
T. H. McClelland
Hon. Walter S. Owen, Q.C.
Harold M. Wright

London, England

Chairman, Peter W. Bennett
Sir Peter Studd

••Retiring December, 1974

